



California Pan-Ethnic Health Network

## Repealing the Affordable Care Act (ACA)

### What's at Stake for Californians Benefiting from Mental Health Care Services?

House Republicans are fast-tracking the Republican plan to repeal the ACA, the “American Health Care Act” (AHCA), undoing the tremendous progress California has made in reducing disparities in access to mental health care services. Prior to the ACA, Latinos and African Americans who sought help for mental health or substance use services were less likely to receive necessary treatment.<sup>i</sup> While these disparities persist, with more individuals insured, low-income Californians and communities of color are better able to access vital behavioral health services. But all of these gains are now at substantial risk!

#### Reduced access to coverage for mental health care services:

- **For Medi-Cal beneficiaries:** The AHCA repeals the current Medicaid expansion, which currently covers 4.1 million adults in California. Individuals currently enrolled would be allowed to keep their coverage, but only if they never have a break in coverage for more than one month. The AHCA also institutes per-capita caps, limiting federal spending for each beneficiary. This would limit California’s ability to provide appropriate and holistic care to individuals living with mental health and substance use disorders, and other beneficiaries who may have high health care costs.

Nationally, the Medicaid expansion has resulted in a reduction in the unmet need for mental health and substance use disorder treatment. States like California that expanded Medicaid eligibility saw a 30% greater likelihood of mental health treatment among low income individuals with a serious mental illness than states that did not expand Medicaid eligibility. Expansion states also saw increased coverage for individuals who were formerly incarcerated and individuals who are homeless<sup>ii</sup>. In the first six months of ACA implementation, an additional 69,191 adults received specialty mental health services in California.<sup>iii,iv</sup> If the Medicaid expansion is repealed, fewer Californians will be able to access these vital services.

- **For Covered California beneficiaries:** The AHCA repeals cost-sharing and tax credit subsidies, cutting by close to half, the amount of financial assistance individuals could get towards paying for their health insurance. This assistance has enabled 1.2 million Californians to purchase health insurance through Covered California. Currently, Covered California plans must provide mental health and substance use disorder treatment benefits. Additionally, Covered California has specifically targeted treatment of depression as an area for quality improvement and disparities reduction in 2017.<sup>v</sup> This is work that will likely be lost if ACA repeal impacts California’s health insurance exchange.
- **For individual consumers:** The AHCA institutes a continuous coverage requirement that includes consumers with pre-existing conditions. Beginning in 2019, individuals who go longer than 63 days without coverage could be charged a 30% penalty in the form of higher premiums for an entire year. Three-quarters of all serious mental illness begins before the age of 25. Therefore,

the ACA prohibition on denying coverage on the basis of pre-existing conditions was particularly important to individuals living with mental illness, many of whom were previously denied coverage.

### **Skinnier benefits packages:**

***For individual consumers:*** Under the AHCA, plans would no longer be required to cover at least 60% of the cost of care for the standard benefits package, so co-pays and deductibles, including for mental health and substance use disorder services, will likely increase.

***For Individuals and families on Medi-Cal:*** The AHCA eliminates the Essential Health Benefits requirement in Medi-Cal, including the requirement to cover mental health and substance use disorder services.

The ACA created 10 Essential Health Benefits, including mental health and substance use disorder treatment.<sup>vi</sup> This enabled California to expand mental health benefits in Medi-Cal.<sup>vii</sup> Medi-Cal beneficiaries now have access to:

- Individual and group psychotherapy;
- Psychological testing;
- Certain supplies and supplements;
- Psychiatric consultation;
- Medication management;
- Screening, Brief Intervention, and Referral to Treatment (SBIRT)<sup>viii</sup>

***For Children on Medi-Cal:*** The AHCA changes Medicaid to a per-capita cap funding system, which ends the entitlement to children's specialty mental health services. Under the proposal, the federal government would only fund services for children up to a maximum limit. Current federal law and regulation requires states to provide children enrolled in Medicaid with screening for physical, mental, developmental, and dental issues through the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. In FY 14-15, nearly 267,000 California children received specialty mental health services through the EPSDT benefit.<sup>ix</sup> Of these children, 51% were Hispanic, 11% were Black, and 3% were Asian or Pacific Islander.

### **Derail efforts to integrate mental health services**

The AHCA will result in a loss of at least \$20 billion in federal funds to California's Medi-Cal program, which is one third of federal funding for the program. While the ACA has reoriented the way we think about health care to focus more intensively on the needs of the whole person, the AHCA moves in the opposite direction. Many of California's health integration and care coordination efforts may be lost with this drastic reduction in funding.

Since implementation of the ACA, California has made considerable strides in integrating mental health care with physical health care services by taking advantage of enhanced federal funds and greater state flexibility. For example, California's Section 1115 Managed Care Waiver includes the Whole Person Care Pilot Program. This program aims to coordinate health, behavioral health, and social services for beneficiaries.<sup>x</sup>

The integration of treatment of substance use disorders into both mental health care and primary care has also been a focus. In 2015, California received approval for a five year demonstration program to expand substance use disorder benefits for Medi-Cal benefits through the Drug Medi-Cal Organized Delivery System.

The ACA has also impacted California's ability to address incarceration and recidivism. Approximately 30% of the prison population has a diagnosed mental illness.<sup>xi</sup> Prior to the ACA, 9 out of 10 people detained in local jails had no health coverage.<sup>xii</sup> However, approximately 25-30% of people released from jail are eligible to enroll in Medicaid due to the expanded eligibility, and another 20% are eligible to purchase coverage through the Exchange.<sup>xiii</sup>

**These gains will be lost if the ACA is repealed and the GOP plan, AHCA is approved.**

**Make your voice heard to stop the ACA repeal!** We must save our behavioral health and prevent vulnerable communities from losing access. Join us in advocating to your Representative and share your story today! <http://cpehn.org/page/having-our-say-resources>. Contact [ksavage@cpehn.org](mailto:ksavage@cpehn.org) for more information.

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<sup>i</sup> UCLA Center for Health Policy Research. (2009). California Health Interview Survey. Accessed on September 3, 2015.

<sup>ii</sup> Cited in <https://aspe.hhs.gov/sites/default/files/pdf/190506/BHMedicaidExpansion.pdf>

<sup>iii</sup> Department of Health Care Services. (May 2016). Medi-Cal Specialty Mental Health Services Policy Change Supplement for Fiscal Years 2015-16 and 2016-17.

<sup>iv</sup> Medi-Cal beneficiaries who meet medical necessity criteria for serious mental illness are entitled to specialty mental health services provided by county Mental Health Plans (MHPs). These include inpatient hospitalization, crisis management, rehabilitation, and case management. Specialty mental health services are funded by combination of federal, state, and local funds and pre-date the ACA.

<sup>v</sup> [http://hbex.coveredca.com/stakeholders/plan-management/PDFs/2017\\_QHP\\_Issuer\\_Contract\\_Attachment\\_7\\_3\\_4\\_2016\\_Redline.pdf](http://hbex.coveredca.com/stakeholders/plan-management/PDFs/2017_QHP_Issuer_Contract_Attachment_7_3_4_2016_Redline.pdf)

<sup>vi</sup> In 2008 the federal government passed a law that prohibits health plans that provide coverage for mental health and substance use treatment services from limiting those services more than medical and surgical services. Prior to the ACA, only plans that chose to cover mental health and substance use disorder services were subject to these "parity" requirements. A final federal regulation issued in March 2016 applied these provisions to plans in Medi-Cal. This new requirement ensures equity in the treatment of mental health and substance use disorder benefits in both the commercial market and Medi-Cal. In California, the Department of Managed Health Care has embarked on robust enforcement of these new provisions. Repeal proposals that eliminate the Essential Health Benefit would leave in place only a shell of these new requirements.

<sup>vii</sup> SB X 1-1 (Chapter 4, Statutes of 2013-14 First Extraordinary Session, companion bill to AB X 1-1) expanded mental health and substance use disorder treatment benefits in Medi-Cal as a part of California's implementation of the ACA.

<sup>viii</sup> Welfare and Institutions Code §14132.03(a)

<sup>ix</sup> [http://www.dhcs.ca.gov/services/MH/Documents/POS\\_StatewideAggRep\\_Sept2016.pdf](http://www.dhcs.ca.gov/services/MH/Documents/POS_StatewideAggRep_Sept2016.pdf)

<sup>x</sup> Additionally, Section 2307 of the Affordable Care Act allowed states to access additional funding to create a comprehensive system of care coordination for Medicaid beneficiaries with chronic conditions. This is known as the "Health Homes Option". California pursued this option, which will likely be repealed.

<sup>xi</sup> <http://www.nytimes.com/2013/04/11/opinion/mental-illness-in-california-prisons.html>

<sup>xii</sup> Californians for Safety and Justice. "Enrolling County Jail and Probation Populations in Health Coverage". September 2013.

<sup>xiii</sup> Ibid.